

AUDIT COMMITTEE

TERMS OF REFERENCE

1. Purpose

The purpose of the Audit Committee is to assess and provide the Corporation with an opinion on the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets in accordance with the Articles of Government, the Audit Code of Practice and any other agreed best practice within the FE sector.

2. Membership

Membership will comprise 6 members (minimum requirement is 3 full Corporation members) at least one of whom has the relevant financial and/or audit experience to enable the committee to discharge its duties effectively. Membership may include up to 2 co-opted members who are not Governors but have relevant skills or experience.

Members of the Audit Committee may not serve on any formal Corporation Finance subcommittee.

The Chair of the Corporation, the Principal and Staff Governors **may not** serve on the Audit Committee, but the Principal, as Accounting Officer, will normally be required to be in attendance at meetings.

The Committee will report directly to the Corporation and must not adopt an Executive role.

3. Development of Members

The Committee will consider the development of members and put in place appropriate training to ensure their skills and knowledge are up to date. Where the Committee identifies a gap in its existing skillset, training and development will be provided to address this in the first instance.

4. Quorum

The quorum shall comprise 3 members of the Committee, one of whom must be a Governor of the College and hold a current, recognised financial qualification.

5. Appointment of Chair and Vice-Chair

The Committee will elect a Chair and Vice-Chair from among Governor Members. Student Members and external co-options shall not be eligible to serve as Chair.

6. Officers in Attendance

Officers normally in attendance at meetings will be:

- The Principal
- Director of Finance
- Director of Governance
- Internal Auditors
- Financial Statements Auditors
- Funding Auditors (where appointed)

The Committee has the right to invite any other person to attend for a part of or for the whole of a meeting.

Attendees shall have no voting rights.

7. Meetings

- i) The Committee shall meet as and when necessary for the proper discharge of its responsibilities but shall meet at least once per term.
- ii) The Director of Governance shall act as Clerk to the Committee.
- iii) The Committee may, when it is satisfied that it is appropriate to do so, meet with representatives of the Internal Audit Service, Financial Statements Auditor, or Funding Auditor (where appointed) without the Principal or Officers in Attendance being present.
- iv) All decisions of the Committee shall be referred to the Corporation for confirmation, except those specifically delegated, which shall be reported to the Corporation.

8. Powers of the Audit Committee

In order to exercise its role, the Audit Committee shall have the power to:

- i) Investigate any activity within its terms of reference;
- ii) The right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit;
- iii) Obtain external professional advice;
- iv) The Committee shall make recommendations to the Corporation on the resources needed to conduct an effective and efficient audit process.

10. Review of Terms of Reference

These Terms of Reference shall be subject to a formal **annual** review.

Approved at Corporation July 2023
Stephanie Taylor
Director of Governance